

## Travel and Tourism

### Overview

Brazil is the sixth-largest source of foreign visitors to the United States, and is the top arrivals market from South America. Brazilians account for more than 30% of all arrivals from that continent.

With both the fifth largest land mass and population in the world, recent economic growth, and a growing middle class, Brazilian travelers to the US are expected to continue to significantly increase for years to come. At a major travel and tourism awards event in Brazil last year, the U.S. was recognized as the #1 destination of choice for first-time Brazilian international travelers and the destination of choice for Brazilians that have yet to make their first trip abroad. In 2010, the U.S. Department of Commerce's Office of Travel and Tourism Industry (OTTI) reported that Brazil had a 34% increase in the number of arrivals to the United States, reaching a record 1,197,000 visitors. The rate of growth continued in 2011, when 1,508,279 Brazilians visited the United States, representing an increase of 26% over the previous year. Arrivals from Brazil in 2012 reached 1,791,103 visitors, an 18.8% increase over 2011. Spending by Brazilian visitors to the United States continues to grow every year. In 2012, Brazilians reached a record-breaking, \$9.3 billion in expenditures in the U.S., which represented spending of more than \$ 5,000 for each Brazilian visitor. Expenditures are expected to increase in the coming years.

The US Department of Commerce expects the total number of Brazilian visitors to the U.S. will increase to even higher levels in 2013. In 2012, the State Department added more consular officers at its visa issuing posts in Brazil to speed up the visa process for Brazilians wishing to visit the U.S.

It is notable that São Paulo is the number one visa issuing U.S. Embassy/consulate post in the world. In 2012, Brazil issued more than 1.1 million U.S. visas; more than 50% of those visas were adjudicated in São Paulo.

The table below shows the top 20 countries that send tourists to the United States for the year 2012 leading up to November. Note the percentage increase of tourists from 2011 to 2012 for Brazil.

### Top 20 Countries

YEAR-TO-DATE 2012 – January to November

<u>RANK</u>	<u>COUNTRY OF RESIDENCE</u>	<u>NUMBER OF ARRIVALS</u>	<u>% CHANGE</u>
1	CANADA	21,190,487	5.9
2	MEXICO	12,763,783	5.3
3	UNITED KINGDOM	3,484,758	-1.8
4	JAPAN	3,384,731	13.6
5	GERMANY	1,748,845	2.7
<b>6</b>	<b>BRAZIL</b>	<b>1,581,152</b>	<b>18.2</b>
7	PRC (EXCL HK)	1,375,284	35.9

8	FRANCE	1,357,519	-3.0
9	KOREA, SOUTH	1,138,178	8.5
10	AUSTRALIA	1,013,896	7.9
11	ITALY	758,072	-6.4
12	INDIA	677,868	8.4
13	VENEZUELA	578,460	21.2
14	ARGENTINA	564,882	19.2
15	SPAIN	558,508	-12.7
16	NETHERLANDS	552,672	-1.4
17	COLOMBIA	520,884	19.2
18	SWITZERLAND	440,685	0.1
19	SWEDEN	396,919	-1.2
20	IRELAND	306,894	-4.6
TOTAL TOP 20 FOR Y-T-D		54,394,477	6.1

## Best Prospects

The U.S. is Brazil's second most popular destination just behind neighboring Argentina. More Brazilians are traveling to the U.S. because of promotions offered by U.S. companies and the appreciation of the Brazilian currency, the real.

Brazil ranked 6<sup>th</sup> in country of origin of visitors to the U.S. during 2012. Top tourism activities when visiting the U.S., includes shopping, which accounted for 95% of their preferences, followed by dining in restaurants 89%, visiting historical sites, 51% and amusement/theme parks 47%. Other activities include sightseeing 40%; Art Gallery/Museums 32%; Concert/Play/Musicals 30%; visiting small towns 21%; cultural heritage sites 21%; and visits to National Parks 19%. The most popular destinations for Brazilian visitors in the U.S. are Florida (Miami and Orlando), New York City, Los Angeles, and Las Vegas. Washington, DC, New Orleans, Massachusetts, San Francisco and Texas are popular secondary destinations.

The high season for Brazilian travel to the U.S. is December through January, and July during school holidays. Shorter trips during public holidays are also very popular. Fly and drive trips are becoming increasingly attractive to Brazilian families wishing to drive through Arizona, California, Nevada, Colorado, Florida, Louisiana or New England.

## Brazil's Travel & Tourism Distribution System

While wholesalers are key travel distributors, Brazil's has 10,000 travel agencies with 60% issuing international tickets. Many travel agencies also serve as tour operators start out as travel agencies. As a result there is stiffer competition prompting many agencies to upgrade technologies to improve efficiency. Associations are important in Brazil's travel industry. The Brazilian Tour Operators Association (Braztoa), formed by 70 operators, is the main association of tour operators. The Brazilian Travel Agencies Association (ABAV) has approximately 3,500 members responsible for just over 80% of travel sales. The majority of Brazil's visitors to the

U.S. go through a travel agency, while others go directly to airlines to purchase tickets through the Internet. Others use state/city travel offices.

## Opportunities

Travel and tourism promotion in Brazil has seen success over the past two decades. Brazil's large and diverse population means the country has a diverse set of interests from which U.S. destinations can recruit travelers. For a U.S. destination, finding the hook for potential Brazilian travelers could lead to great returns.

Those working in tourism may want to capture some of the increasing niche markets of Brazilian travelers to the United States. Visa adjudicating officers at the US Consulate in Sao Paulo, the world largest visa issuing post, have indicated notable trends among Brazilian visitors. Among Brazilians traveling with the specific aim of shopping, agents should consider tours specifically designed to cater to the soon-to-be mothers and wedding shoppers. Officers also indicated that modest Brazilian shoppers find inexpensive accommodations in the outskirts of major cities and even take advantage of outlet shopping. Another growing market is the adventurous traveler who aspires to trek the famous Route 66 or participate in motorcycle road tours in the South.

Officers discussed new trends among first time travelers. While Florida remains a popular destination, some are making New York City, Los Angeles, San Francisco, New Orleans or Las Vegas their first destination. Among this group, several have specific intentions to drive along the California coast or drive from Los Angeles to Las Vegas. Officers found several couples planning to renew their vows in various themed wedding chapels in Las Vegas.

Young professional and business travelers have also shown notable trends. In congruence with Brazilian holiday leave, many young professionals opt to use their 30 days of vacation for an extended stay in the United States. The vast majority take a light load of English language courses as incidental to tourism. Hours spent outside of class are dedicated to exploring a major city and getting a taste of American living before returning home. Consular officers specifically highlighted Chicago as a major destination for architects and building lovers. Agents should also take note of industry shoppers traveling specifically to purchase equipment. Other notable hobbies and professionals included photographers, disc jockeys, artists and farmers.

Several Brazilian travelers obtain U.S. visas with the specific purpose of transiting to destinations in Canada, Mexico, Japan and Caribbean cruises with intentions of doing a quick stay in the U.S. for shopping. Agents may want to capture this market to facilitate the needs of these travelers, who simply want quick and easy access to shopping and dining.

Each year, the U.S. Commercial Service in Brazil organizes **VISIT USA** shows. This is the most effective and affordable vehicle for the U.S. travel trade industry to increase its market exposure in Brazil. **VISIT USA 2013 Brazil** took place in São Paulo and Rio de Janeiro in May 2012, and was visited by over 1,400 select travel agents, tour operators and media visitors in both cities.

**VISIT USA 2014** will be held in May 2014 in São Paulo and Rio de Janeiro.

## Web Resources

Source: U.S. Department of Commerce's Office of Travel & Tourism Industry – OTTI

For more market research reports, please visit: <http://export.gov/mrktresearch/index.asp>

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